



Chapter Nine

FINANCIAL PLANNING

BUREAU OF LOCAL ROADS AND STREETS MANUAL

<u>Section</u>	<u>Page</u>
9-1 MFT FINANCING	9-1(1)
9-1.01 Unobligated Balance	9-1(1)
9-1.02 Monthly Allotment	9-1(1)
9-1.03 Appropriation of MFT Funds	9-1(2)
9-1.03(a) General	9-1(2)
9-1.03(b) Resolutions Procedures	9-1(2)
9-1.03(c) Resolution Contents (Counties and Municipalities)	9-1(3)
9-1.03(d) Statement of Proposed Road Improvement (Road Districts)	9-1(3)
9-1.04 Anticipating Unallotted MFT Funds	9-1(4)
9-1.04(a) General	9-1(4)
9-1.04(b) Counties and Municipalities	9-1(4)
9-1.04(c) Road Districts	9-1(4)
9-1.05 MFT Reimbursement for Bond Issues	9-1(5)
9-1.06 Special Assessment Procedures	9-1(6)
9-1.06(a) Resolution of Intent	9-1(6)
9-1.06(b) Direct Payment of Project Costs	9-1(6)
9-1.06(c) Obligation Retirement Resolution	9-1(7)
9-1.06(d) Miscellaneous Information	9-1(7)
9-1.07 Expenditures	9-1(9)
9-1.07(a) Authorization to Expend Funds	9-1(9)
9-1.07(b) Automatic Authorization	9-1(9)
9-1.07(c) Requests for Authorization	9-1(10)
9-1.07(d) Salary and Expenses	9-1(11)
9-1.08 Reimbursement of Funds to MFT Accounts	9-1(13)
9-1.08(a) General	9-1(13)
9-1.08(b) Off-Street Parking Revenues	9-1(13)
9-1.08(c) Crediting Reimbursement For a Specific Section	9-1(14)
9-1.08(d) Crediting Reimbursement Not Identified by a Section	9-1(14)
9-1.08(e) Crediting Earned Interest	9-1(15)
9-1.08(f) Income From Property Purchased with MFT Funds	9-1(15)

Table of Contents

(Continued)

<u>Section</u>	<u>Page</u>
9-1.08(g) Credit to Unobligated Balance	9-1(15)
9-1.08(h) Payments to State.....	9-1(15)
9-2 STATE FUNDS FINANCING	9-2(1)
9-2.01 Township Bridge Program Funding	9-2(1)
9-2.01(a) Annual Allotment.....	9-2(1)
9-2.01(b) Annual Program	9-2(1)
9-2.01(c) Obligation of Funds.....	9-2(1)
9-2.01(d) Township Bridge Program Account Balance	9-2(1)
9-2.01(e) Anticipation of Allotments.....	9-2(2)
9-2.01(f) Suspension of Allocation.....	9-2(2)
9-2.01(g) Contract Additions and Deletions.....	9-2(2)
9-2.01(h) Use of Township Bridge Program Funds	9-2(2)
9-2.02 Township Bridge Lapse Pool.....	9-2(3)
9-2.03 Grade Crossing Protection Fund	9-2(3)
9-2.04 Economic Development Program (EDP)	9-2(4)
9-2.05 Truck Access Route Program (TARP).....	9-2(4)
9-2.06 State Matching Assistance Program	9-2(5)
9-2.07 County Consolidated, Needy Townships, and High Growth Cities.....	9-2(5)
9-2.08 County Engineer's Salary Program	9-2(5)
9-2.09 Jurisdictional Transfers.....	9-2(5)
9-2.10 Park Access Program.....	9-2(6)
9-2.11 Noise Abatement Program	9-2(6)
9-2.12 Access To Transit Capital Improvement Program (Operation GreenLight).....	9-2(6)

Chapter Nine

FINANCIAL PLANNING – MFT and State Funds

Chapter 4 discusses the sources of funding available to the local agencies within Illinois for road and street projects. Chapter 9 discusses the necessary local financial planning for the various non-Federal sources of funding (i.e., Motor Fuel Tax (MFT), Township Bridge Program, and other State-funded programs).

9-1 MFT FINANCING

9-1.01 Unobligated Balance

IDOT maintains an account balance, known as the unobligated balance, for the MFT account of each county, road district, and municipality. These are MFT funds that have been allotted to the local agency, but for which IDOT has not authorized an expenditure. The unobligated balance is increased when:

- the monthly allotments are distributed;
- projects are completed and unexpended funds are credited from an obligated account;
- interest earned on invested funds is credited to the unobligated account; or
- the local agency deposits other funds into the MFT account (e.g., State funds for special local programs, jurisdictional transfers, etc.).

MFT funds are obligated and subtracted from the unobligated balance by authorization of the IDOT Regional Engineer when a project has reached a stage in which an agency has a financial obligation (e.g., an approved engineering agreement or construction contract). The local agency receives a monthly statement that lists all transactions that affect this unobligated balance.

9-1.02 Monthly Allotment

Checks for the local agency MFT allotments are sent each month to the municipal treasurer for the municipal allotments and to the county treasurer for the county and road district allotments. Rather than receiving a monthly check, the local agency may request that the State Treasurer invest the money directly as part of the Treasurer's Investment Pool. Local agencies can also have their warrants directly deposited into a local bank. Arrangements for this can be made by contacting the Office of the Comptroller, Electric Commerce Division.

Each agency receives a monthly letter informing the agency of the amount of its monthly MFT allotment. This letter also contains a list of all transactions affecting its MFT account during the

preceding month. Transactions affecting the agency's MFT account will be one of three types — Authorization to Expend Funds (Section 9-1.07(a)), Credit to Unobligated Balance (Section 9-1.08(g)), or Payments to State (Section 9-1.08(h)).

9-1.03 Appropriation of MFT Funds

9-1.03(a) General

Counties and municipalities initiate an MFT project by passing an ordinance or resolution establishing the scope of a project and appropriating MFT funds for the project. A road district accomplishes the same objective by submitting a Statement of Proposed Road Improvement (Form BLR 09120) or a County or Township Estimate of Maintenance Cost (Form BLR 14221).

When a local agency submits a resolution for approval for an improvement or maintenance program, IDOT will evaluate the agency's current unobligated balance plus anticipated allotments during the life of the project or maintenance period to determine whether adequate funding is available before approving the resolution.

A separate MFT appropriation resolution will not be required, provided that the local agency budget ordinance contains the necessary project information required by the resolution and identifies that MFT funds will be used.

When a local agency appropriates MFT funds for a project, the appropriation should cover, as practical, all anticipated costs. This may exceed their current unobligated balance, because authorizations are not made at the appropriation stage. Prior to advertisement for letting, the local agency must ensure sufficient funds are available, including its current unobligated balance plus anticipated MFT allotments through the estimated completion date, to cover the total cost of the contract. If estimated MFT revenues are not adequate to cover this cost, other sources of financing will be required. This is accomplished using other local funds to pay a portion of the direct costs in conjunction with MFT funds, or a loan may be made to the MFT fund, the principal to be repaid to the source of the loan.

9-1.03(b) Resolutions Procedures

The procedures to be followed when projects are constructed under IDOT approval and inspection can be found in 605 ILCS 5/5-403, 5/6-701.1, and 5/7-203. The first action in the initiation of a project by a county or municipality is normally the adoption of an ordinance or resolution declaring the intent and appropriating funds. County Improvement Resolution (Form BLR 09110) and Municipal Improvement Resolution (Form BLR 09111) are the resolution forms provided by IDOT. If a bond issue or special assessment will finance a project, a Resolution of Intent as indicated in the General Obligation Bond (Form BLR 15310) or the Special Assessments (Form BLR 15410 or Form BLR 14210), as appropriate, must be the first action. IDOT also provides Statement of Proposed Road Improvement (Form BLR 09120), which

addresses the improvement of the district road involving the expenditure of funds requiring IDOT approval.

9-1.03(c) Resolution Contents (Counties and Municipalities)

The following applies:

1. Section Designation. See Section 2-4.01 for Section designation criteria.
2. Location. Provide a description of the project's beginning and ending points in the resolution or Road Improvement Statement. With each copy, submit a map showing the proposed improvement location.
3. Proposed Project Description. Include a description of the project in general terms. Avoid specifying a particular span length, type of bridge, and a particular thickness or type of bituminous surface because they are subject to change during the design stage. This eliminates the need for an amending resolution when the plans provide for a different type of improvement than documented in the original resolution. Municipalities are required to include the length and width of the proposed improvement in the resolution.
4. Type of Construction. Indicate whether the project will be constructed by contract or by day labor.
5. Financial Commitment. State the amount of MFT funds appropriated by the governing body and MFT funds committed to the project. If the project is partially funded with other funds, include a statement committing the other funds with or in the resolution.
6. Certification. County and municipal resolutions must be attested to and sealed by the county or municipal clerk.

9-1.03(d) Statement of Proposed Road Improvement (Road Districts)

A Statement of Proposed Road Improvement (Form BLR 09120) for a road district project must state the amount of MFT funds committed by the highway commissioner for the project. If the road district project is partially funded with other funds, the Statement of Proposed Road Improvement must also state the source and amount of other funds committed to the project. The highway commissioner and the county engineer must sign the Statement of Proposed Road Improvement.

When the records are available in the district establishing one agency as having jurisdiction and responsibility for the maintenance of boundary line roads, the signatures of the adjoining road district highway commissioners and adjoining county engineers, in the case of county line road district roads, will not be required.

9-1.04 Anticipating Unallotted MFT Funds

9-1.04(a) General

Unless IDOT is advised to the contrary, it will finance all local agency MFT projects on a cash basis. If sufficient MFT funds are not available, IDOT will require assurance from the local agency that funds will be available from other sources to pay all bills within 90 days of the estimated completion of the project.

9-1.04(b) Counties and Municipalities

A county or a municipality may borrow funds from other sources to complete an MFT improvement. The loan may be repaid from future MFT allotments provided that no charges are made for interest by a county (payment of interest charges is permissible for municipalities). The anticipation of MFT allotments should not cover an excessive period of time. It is generally not advisable to commit future allotments for more than two years beyond the estimated completion date. In special circumstances, the district, in consultation with the Central BLRS, may authorize repayment periods exceeding two years. If a county or a municipality proposes to borrow local funds and later requests reimbursement with MFT funds, it must state its intent by formal resolution of the governing board or council; see Section 9-1.03. IDOT must approve the proposed payback time and repayment schedule.

MFT funds may be used to reimburse the loan, including interest, provided that MFT funds are not anticipated for an excessive period of time. An “excessive period of time” is defined as a period that exceeds the incumbent administration’s term of office. The local agency should have some reserve funds to accommodate routine maintenance and unforeseen emergencies to its transportation system.

9-1.04(c) Road Districts

The county must pay the costs incurred in the construction of road district MFT projects from the MFT account. A road district is not allowed to pay these costs directly from its road and bridge fund or other local funds and later be reimbursed with MFT funds.

A road district may, however, deposit local funds into the county treasury to pay project costs with the intention of later requesting reimbursement with MFT funds. Reimbursement requires prior IDOT approval of the arrangement. MFT policy and procedures must be used in the design and construction of the project.

9-1.05 MFT Reimbursement for Bond Issues

Section 4-4.02 discusses a local agency's use of bonds (i.e., General Obligation Bonds, MFT Fund Bonds) to finance highway improvements. Section 9-1.05 discusses procedures for initiating and processing a bond issue project, which is approximately the same for each type of bond when MFT funds will be used to pay all or part of the bond issue. The following will apply:

1. Resolution of Intent (Municipality and County). When a local agency proposes to finance a project with the proceeds of a bond issue and later requests MFT funds to retire the indebtedness, the agency must submit a resolution stating its intent to IDOT. Assign a section number to the resolution for the project (see Section 2-4) and adequately describe the location, the proposed widths of the roadway, and type of the proposed improvement. For a General Obligation Bond (GOB) issue, the Resolution of Intent requires IDOT approval prior to submitting the proposition to the voters.

When the entire cost of the project is paid with proceeds of the bond issue, there is no need to appropriate any MFT funds at the time the Resolution of Intent is passed. However, if the local agency wants to pay any eligible portion of the total project cost directly with MFT funds, the Resolution of Intent may appropriate the necessary MFT funds.

2. Direct Payment of Project Costs. Do not include any project costs that are paid directly with MFT or other funds in the bond issue. When the cost of engineering is not part of the bond issue and is paid with MFT funds, make payments from the MFT account directly to the persons performing the engineering work. Do not deposit MFT funds in, or disburse from, the bond issue account. MFT funds cannot be used to pay engineering costs on General Obligation Bond issue projects until the bond issue has been passed by referendum.
3. Procedures for Road District Bond Issues. In general, the county engineer, acting in cooperation with or for the highway commissioner, will submit the general plan of improvement to IDOT for approval prior to the submission of the proposition to the voters.
4. Bond Ordinance — GOB Projects Only. Subsequent to the passage of the referendum, the local agency (i.e., county board or corporate authorities) must file an ordinance with the county clerk certifying the results of the vote and the issuance of the bonds (605 ILCS 5/5-605, 5/6-513, and 65 ILCS 5/8-4-4). The local agency should submit two certified copies of the bond ordinance to IDOT.

For road districts, a register of all issues of these bonds is filed with the county clerk by the road district clerk. Submit two copies to IDOT (605 ILCS 5/6-510).

5. Allowable Miscellaneous Expenses. Legitimate miscellaneous expenses incurred in connection with an approved road or street bond issue improvement (e.g., attorney fees, engineering costs) may be included as part of the improvement cost, and MFT funds

may be used to retire the bonds. Voting costs in connection with issuance of bonds are not considered legitimate MFT expenses.

6. Obligation Retirement Resolution. To retire the obligation with MFT funds, submit to the Regional Engineer an Obligation Retirement Resolution (Form BLR 15411) appropriating the funds required each time an obligation becomes due. If a road district wants to retire the obligation with MFT funds, the county must submit a County Request for Road District Motor Fuel Tax Funds to be Used to Retire Indebtedness (BLR Form 09130) to the Regional Engineer indicating the outstanding amount needed for payment.

For General Obligation Bond issue projects, the county clerk must sign Form BLR 15314. It certifies that the tax levy, which would have produced funds to pay the indebtedness, has been cancelled and not extended. This must accompany the Obligation Retirement Resolution.

If the bond issue improvement includes work not eligible for MFT participation, the amount of MFT funds to retire the bonds and interest must reflect the percentage of the project that is eligible for MFT participation.

7. Audits. See Chapter 15 for information on MFT audits.

9-1.06 Special Assessment Procedures

9-1.06(a) Resolution of Intent

When a municipality proposes to finance a project by special assessment and later requests MFT funds to retire the indebtedness, the corporate authorities are responsible for submitting a resolution to IDOT stating their intent. Assign a section number to the resolution for the project (see Section 2-4) and adequately describe the location and type of proposed improvement.

9-1.06(b) Direct Payment of Project Costs

Any portion of a project (e.g., right-of-way, engineering expenses) may be paid directly with MFT or other funds. If the municipality chooses to pay a portion of the project directly, exclude all costs related to that portion from the assessment. All project costs that will be paid directly should not be included in the final project cost that is submitted to the circuit court for the determination of the assessment. When MFT funds will be used for direct payment of eligible project costs, the Resolution of Intent may include the necessary appropriation of MFT funds.

The use of MFT funds to pay engineering costs directly on special assessment projects that have not been confirmed by the court is not allowed unless prior approval of resolutions of intent have been secured.

Payments from the MFT account must be made directly to the entities performing the engineering work. Do not deposit or disburse into or from the MFT funds account.

9-1.06(c) Obligation Retirement Resolution

If a municipality wants to retire the public benefit assessments with MFT funds, it should submit an Obligation Retirement Resolution (Form BLR 15411) to the Regional Engineer, appropriating the funds required each time an obligation comes due. The municipality may request MFT authorization to retire all, or any remaining installments, of the public benefit assessments at one time.

Pertinent information showing the total private and public benefit assessments and project costs should accompany the first Obligation Retirement Resolution. The project costs should be the latest costs available for all right-of-way, engineering, construction, legal fees, and court costs associated with the project. Estimated costs may be used if the final costs for a phase are not known when preparing the resolution. For the Board of Local Improvements to collect the assessments, both public and private, they are required to file a certificate of issuance of first voucher in the court clerk's office in which the assessment was confirmed. File this certificate within 30 days after issuance of the first voucher for construction and show the amount and date of the first voucher.

It is necessary to furnish all the preceding information to IDOT for audit purposes. Description, Court, Legal, and Financial Data (Form BLR 15410) and Public Benefit Retirement Schedule (Form BLR 14210) are available for this purpose and will be furnished upon request. After the construction contract has been awarded and approved, IDOT may approve the Obligation Retirement Resolution and issue the authorization for expenditure of MFT funds.

Form BLR 14210 is not required when the total public benefit will be returned in one lump sum.

9-1.06(d) Miscellaneous Information

The following provides additional information regarding special assessments.

1. Public Benefit Assessment Payments. A local agency may use MFT funds to pay the first installment or all ten installments of public benefit assessments, without interest, provided that all other court data is in order and the Court has confirmed the assessment roll.
2. Interest. The following apply to interest on special assessments:
 - a. Start Date. Interest begins to accrue 60 days from the issuance date of the first voucher for work, except where the taking and damaging of property is involved. In this case, interest begins to accrue 60 days from the date that the Warrant for Collection is delivered to the local agency by the Circuit Court. The taking and

damaging of property occurs when condemnation proceedings for right-of-way are involved in the special assessment. Interest is always computed 60 days from the date the first voucher is issued and not from the date the first voucher is recorded in court.

- b. Assessment. Interest is computed on the total amount of all public benefit assessments (10 installments). It is always computed 60 days from the issuance date of the first voucher or the date of the Warrant for Collection to January 2nd of the following year.
 - c. First Payment. If the first voucher has been issued and the local agency is requesting the use of MFT funds for payment of interest, the first voucher must be recorded in court before IDOT will authorize payment of interest with MFT funds.
 - d. Corrections. When the interest dates and/or amounts are incorrectly shown on the local agency's Obligation Retirement Resolution, the interest should be correctly computed 60 days from the date of issuance of the first voucher or the date of the Warrant for Collection to January 2nd of the following year. Appropriate comments must be made when dates or amounts are incorrectly shown by the local agency.
 3. Principal. The first installment of principal is due on January 2nd of the year following the issuance of the first voucher except when the acquisition or damaging of property is involved. In this case, the first installment immediately becomes due and payable upon delivery of the Warrant for Collection to the local agency.
 4. Installments. The following will apply:
 - a. Request for Less Than the Resolution. If the local agency requests less interest and/or principal on their Obligation Retirement Resolution than what is actually due, the local agency will only receive authorization for the lesser amount requested.
 - b. Request for More Than the Resolution. If the local agency requests more interest and/or principal on their Obligation Retirement Resolution than is actually due, the local agency will only receive authorization for the actual amount due as shown by the schedule on Form BLR 14210.
 - c. Payments. Special Assessment Bonds can only be issued against collections on any or all of installments two through ten. Special Assessment Bonds cannot be issued against collections of the first installment. The first installment is paid to the contractor by warrant only.
 - d. Other Funds. If the local agency pays a special assessment installment by borrowing from another local agency fund, with the intention of reimbursing the

borrowed funds with certified MFT funds, a Notice of Interest must be passed by the local agency board and recorded in the minutes. Prior to payment of the special assessment installment with borrowed funds, the local agency must record their intent to repay the borrowed funds with MFT funds when authorization is received. Otherwise, there is no obligation due, and the local agency must not use any MFT funds for payment of this particular installment.

- e. Interest. The second to tenth installments of principal bear interest from January 2nd to January 1st, inclusive, of the following year except where the acquisition or damaging of property is involved. In this case, it is recommended that the auditor review the statute for the applicable provision (65 ILCS 5/9-2-48).

9-1.07 Expenditures

IDOT approval of an appropriating resolution or Statement of Proposed Road Improvement does not authorize the local agency to begin disbursing MFT funds for the project. The local agency will be authorized to disburse MFT funds at various stages throughout a project.

9-1.07(a) Authorization to Expend Funds

At the request of the local agency (i.e., when a project has reached a stage where the agency must disburse MFT funds), IDOT is required to authorize an expenditure of MFT funds. The actual authorization is an IDOT accounting procedure where the funds authorized are deducted from the agency's unobligated balance and committed to the specific project as obligated funds. Each authorization transaction is printed on the agency's monthly allotment notification letter; see Section 9-1.02.

A list of accounts to which MFT funds are authorized by the district are provided in Figure 9-1A.

Several of a project's required authorization steps are accomplished automatically in the district while others must be initiated by the local agency.

9-1.07(b) Automatic Authorization

IDOT will automatically authorize the following items upon approval of the appropriate paperwork:

1. Funds for Contracts. When IDOT approves the executed contract for maintenance or construction, the awarded value of the contract is authorized.

Day Labor Costs. When IDOT approves the agency's resolution, estimate and material proposal, if necessary, for maintenance, and the plans, specifications, and estimate and

BUREAU OF LOCAL ROADS & STREETS
FINANCIAL PLANNING – MFT and State Funds

9-1(10)

Jun 2006

material proposal, if necessary, for construction, the total value of these day labor costs is authorized.

2. Maintenance Engineering. When IDOT approves the agency's maintenance estimate, the estimated cost for maintenance engineering is authorized.
3. Obligation Retirement. Retirement of obligations will be authorized for expenditure upon approval of the appropriate obligation retirement resolution.
4. Railroad and Utility Work. When a railroad and/or utility company, in accordance with an agreement, performs work, the expenditure of MFT funds will be authorized upon receipt of the company's bill and detailed statement of expenses. Amounts authorized will be sufficient to permit payments to be made according to the terms of the agreement.

Counties	Municipalities	Road Districts
Contract Construction	Contract Construction	Contract Construction
Day Labor Construction	Day Labor Construction	Day Labor Construction
Engineering	Engineering	Engineering
Right-of-Way ¹	Right-of-Way ¹	Right-of-Way ¹
Obligation Retirement	Municipal Indebtedness	Obligation Retirement
Maintenance	Maintenance	Maintenance
Maintenance Engineering	Maintenance Engineering	Maintenance Engineering
County's Contribution to Illinois Municipal Retirement Fund or to Social Security	Municipality's Contribution to Illinois Municipal Retirement Fund or to Social Security	Road District's Contribution to Illinois Municipal Retirement Fund or to Social Security
Salary and Expenses of County Engineer	Engineering Investigations	
Engineering Investigations	Interest	
Maintenance Garage	Obligation Retirement	

¹ Itemize and detail requests for Expenditure of MFT Funds (Form BLR 09150) for right-of-way expenditure(s) on the reverse side of Form BLR 09150.

AUTHORIZED MFT ACCOUNTS

Figure 9-1A

9-1.07(c) Requests for Authorization

When it is necessary to disburse MFT funds for any other purpose, the local agency must submit a Request for Expenditure of MFT Funds (Form BLR 09150) to the district. Indicate the amount and purpose of the request. It should be accompanied by appropriate documentation (e.g., engineering bills, invoices for joint participation). Upon receipt of a properly documented

request for expenditure, IDOT will authorize the necessary funds, up to the maximum amount that has been appropriated.

The expenditure of MFT funds for letting advertising costs will be authorized as an engineering charge, except for maintenance. Advertisement costs for maintenance sections may be authorized as a maintenance charge, instead of an engineering charge. A separate account for advertising is not deemed justified because the cost is relatively small.

A regularly appointed or elected municipal official must sign requests for expenditure of MFT funds for municipal MFT work. This official may be the clerk, board president, mayor, or a regularly appointed engineer whose office is established by ordinance and who is appointed to the office in an official manner. Requests for expenditure of MFT funds signed by anyone else cannot be accepted.

9-1.07(d) Salary and Expenses

Section 4-3.03 describes the use of MFT funds for salaries and other fringe benefits. The following procedures apply when MFT funds are used for these expenditures:

1. Wages or Salaries. For employees of a local agency who may be paid from the MFT fund, the method of payment may be one of the following:
 - Where the compensation is on an hourly, daily, or monthly basis, the local agency may pay the employee directly from the MFT fund for the particular job on which the work is done.
 - Where the compensation is on an hourly, daily, or monthly basis, the agency may pay the employee from the fund for which the employee is regularly paid. This fund may then be reimbursed from the MFT fund for the job on which the work was performed for the amount paid to the employee for the time spent on the MFT job.

Under the first method of payment, the agency will make payments in the same manner as other payments on the section are made.

Under the second method, the agency must maintain complete records of the dates and time for the employees who are engaged on MFT work and the particular projects or sections. Reimbursements from MFT will be made promptly and periodically, preferably each month.

Payments from MFT funds to other funds for reimbursement are made in the same manner as any other payment (i.e., a claim showing the date, project or section, the class of labor, the rate of pay must be filed and a warrant drawn against the MFT fund in favor of the fund which is being reimbursed). It is not necessary that individual claims for each employee be filed, but a separate claim must be filed for each project or section

and, if it is desired, all employees working on that project during the period covered by the claim may be shown on one claim and reimbursement made by one warrant.

2. Holidays, Vacation, and Sick Leave. Whenever an MFT payroll is made by the local agency, a payment may also be made to the county highway tax fund or other fund involved for a definite percentage of the payroll cost as a payment for the benefits involved. Calculate the percentage by dividing the cost of the benefits in previous years by the total payroll cost. Determine this percentage from records over a period of three or more consecutive years, and compute the percentage to the nearest whole number. No payment will be made until the district has approved the established percentage.
3. Health, Hospitalization, and Life Insurance. Payment of a prorated portion of Health, Hospitalization, and Life Insurance premiums may be made with MFT funds for costs incurred on MFT maintenance and construction projects.

The prorated portion shall be determined in the same manner provided for "Holidays, Vacation, and Sick Leave".

4. Worker's Compensation Insurance Premiums. The local agency may make payments from their MFT account directly to the insurance company for these premiums, or they may use MFT funds to reimburse another fund from which the premiums were paid.
5. Retirement and Social Security. Requests for expenditure of MFT funds for the local agency's contributions to these two accounts will be honored on the basis of actual amounts owed or will be honored in advance, provided that the amount requested is substantiated by an accompanying estimate statement. In the estimate statement, show which sections will be built, what maintenance work will be performed, and what salaries (e.g., the county engineer) will be paid with MFT funds. Also show in the statement, in connection with the municipal retirement fund, the percentage of contribution as determined by the retirement board for the period covered by the request for funds.

The expenditure of MFT funds will be authorized to the local agency for one account entitled "*(local agency)* Contribution to Illinois Municipal Retirement Fund or to Social Security." The expenditure of MFT funds will not be authorized to each particular section and to maintenance separately. Keep this account separate from other accounts. Payments from this account to the employees' retirement and/or social security fund should be made periodically. The claim against the account, payable to the retirement or social security fund, should identify the payrolls that are covered by the claim.

It is not necessary for the local agency to report the amount of its contribution in connection with final papers for construction sections or expenditure statements for maintenance. Instead, the local agency should prepare a statement of receipts and expenditures for submission with the request for expenditure of MFT funds for the next period.

It is not necessary for local agency to appropriate funds, by resolution, covering MFT expenditures for retirement and social security contributions.

9-1.08 Reimbursement of Funds to MFT Accounts

9-1.08(a) General

When MFT funds are expended for construction- or maintenance-related work and then reimbursed by property owners, corporate fund, State or Federal funds, or any other source, the reimbursement is credited to the MFT section account from which the payment was made. Likewise, any payment not eligible for MFT participation will be reimbursed to the MFT account.

Final acceptance of construction projects will be withheld until the final reimbursement has been made or until other arrangements have been approved. In special cases (e.g., where the reimbursement will be made over a long period of time), the Central BLRS may close out the sections upon approval. In these cases, the subsequent reimbursements are credited to the MFT unobligated balance, with a description of the purpose of the reimbursements.

9-1.08(b) Off-Street Parking Revenues

Municipalities may use MFT funds for off-street parking facilities in accordance with 605 ILCS 5/7-202.17.

The local agency must assign a section number to track this revenue. The following procedures will apply:

1. Separate Accounts. When a local agency chooses to maintain accounts for each parking facility constructed, close the construction section and determine the final MFT participation. To account for revenues, establish new MFT sections as in the following example:

Account for revenue reimbursements for a parking lot built as Section 79-00076-00-PK as using Section 79-P0076-00-AC. The original MFT participation for the project will be entered into the database as "the amount appropriated." The receipts will be credited to the unobligated account annually, and the total accumulation of these credits will be maintained in the far-right column on Form BLR 9006. Once the amount appropriated has been achieved, the section will be closed.

2. Single Account. When the local agency has several revenue-producing parking facilities and maintains only one parking revenue account, close the original construction section(s) and determine the total MFT participation of all projects. To account for revenues, establish a new section number as (year of 1st reimbursement)–P0000-00-AC. Enter the total participation of all sections in the database as the amount appropriated. If

additional parking projects are built, add the MFT participation to the appropriation amount. Treat annual credits for parking receipts as those in separate accounts.

3. Maintenance. Use revenues produced to maintain the parking area before MFT funds are used for maintenance.
4. Surplus Revenues. Surplus revenues not needed for maintenance may be used to acquire land and construct additional off-street parking areas.

Return surplus revenues not needed for maintenance or construction of additional parking areas to the local agency's MFT account until the amount of MFT funds originally paid out have been refunded. When the total amount reimbursed is equal to the MFT funds that were used for construction, all other surplus revenues become the property of the local agency.

5. Audit. Ensure the local agency's parking revenue account is made available to IDOT for audit purposes.

9-1.08(c) Crediting Reimbursement For a Specific Section

The following will apply:

1. Active or Open Sections. Credit the section account as identified in the audit.
2. Closed Sections (in Database). If the section is closed, it will be reopened to include the receipt as indicated by the auditor including comments as to source, purpose, etc. Once this action is completed, close the section again.
3. Closed Sections Purged from Database. If the section is closed and purged from the database, assign the receipt of funds to the same section designation as the original improvement except that the section type will be changed to an "AC" (e.g., 86-00120-00-CH to 86-00120-00-AC). Identify the source and purpose of reimbursement.

9-1.08(d) Crediting Reimbursement Not Identified by a Section

Identify any other reimbursement that cannot be assigned to an existing section with a section designation as (year of audit report)-00000-01-AC. For a road district, use the road district number in lieu of the first two zeros. Identify the source and purpose of the reimbursement plus the audit report number.

9-1.08(e) Crediting Earned Interest

Any earned interest (and only earned interest) entering a local agency's fund must be assigned a section designation, (year of audit)-00000-00-AC. Identify each annual total of "Earned Interest" plus the audit report number.

9-1.08(f) Income From Property Purchased with MFT Funds

Any revenues from the rental of property purchased with MFT funds are credited to the MFT fund account. If right-of-way is purchased with MFT funds, which then becomes unnecessary and is later sold, credit the revenue received to the MFT fund account up to the original purchase price.

9-1.08(g) Credit to Unobligated Balance

When a project has been completed and all bills have been paid, it is possible that all funds that were authorized for a specific purpose were not required. When IDOT approves Form BLR 13510 for the project, these unexpended funds are transferred from the project's obligated account and returned (credited) to the local agency's unobligated balance. This credit is accomplished automatically by IDOT and will appear on the agency's monthly allotment notification letter.

9-1.08(h) Payments to State

IDOT has established a procedure whereby regular payments on a debt owed to the State by a local agency may be deducted directly from the agency's monthly MFT allotments upon request by the local agency. The Central BLRS, in cooperation with the districts, will determine these arrangements.

9-2 STATE FUNDS FINANCING**9-2.01 Township Bridge Program Funding****9-2.01(a) Annual Allotment**

Each year IDOT apportions \$15 million to the counties to be used by the road districts for the construction of bridges. See Section 4-2.02 for more details. The district will set up a Contract Obligation Document for each county's allotment.

9-2.01(b) Annual Program

Each county is required to submit an annual program detailing the projects that are proposed for funding through the Township Bridge Program (TBP). Submit the annual program to the district on or before September 1 each year. Projects in the annual program must be listed in order of priority. Complete Form BLR 09210 and submit it to the district.

9-2.01(c) Obligation of Funds

TBP funds apportioned to the counties are not automatically paid to the county treasurer when the allotments are distributed. The funds are held in the State treasury until they are obligated when they are then paid to the county treasurer. TBP funds are considered obligated upon award of the contract by the county, signed engineering agreement, or acquisition of right-of-way, and have been approved by the district. These funds, once in the county treasurer's account, cannot be expended until the necessary payment estimates have been processed. Payout will be accomplished by the submittal of an invoice (Form C-13) by the district to the Office of Finance and Administration with a copy to Central BLRS. Any funds apportioned to a county that are not obligated within 24 months of the date when the apportionment is made will revert to the Road Fund (605 ILCS 5/6-906) and will be distributed through the TBP Lapse Pool Program.

9-2.01(d) Township Bridge Program Account Balance

Each county must maintain an account that will identify TBP funds separately from all other funds. Because the funds are paid to the county prior to the actual need, the county must maintain these funds in an account. If the TBP funds are invested prior to being disbursed, any interest earned will be used as TBP funds and applied to already approved TBP projects. Interest earned on any TBP money belongs to the TBP fund and cannot be considered as part of the local match. Funds released from a project by change order may be applied to overruns in current projects or future TBP projects.

When TBP funds are expended for construction-related work and then reimbursed by property owners, corporate fund, State or Federal funds, or any other source, the reimbursement is

credited to the TBP section account from which the payment was made. Likewise, any expenditure not eligible for TBP participation will be reimbursed to the TBP account.

9-2.01(e) Anticipation of Allotments

With the approval of the district, a road district may finance a project from other sources and pledge their future Township Bridge allotments toward repayment of the indebtedness. Any project financed in such a manner must be constructed using the same procedures as if Township Bridge Funds were paid directly for construction. The following applies:

1. Bonded Indebtedness. A road district may issue bonds to construct a bridge selected in accordance with Section 605 ILCS 5/6-510. For bond issuing financing, see Section 9-1.05. Future allotments of the road district's TBP funds may be pledged toward repayment of the bond issue (605 ILCS 5/6-903).
2. Resolution of Indebtedness. In cooperation with the county, a road district may use any other source of county or road district funds available to finance a project. The county board may pass a resolution declaring indebtedness to the county, which will be repaid with future allotments of the road district's TBP funds.

9-2.01(f) Suspension of Allocation

If any county, after having been provided reasonable notice by IDOT, fails to expend funds in a satisfactory manner, IDOT will not authorize further payments to the county until it corrects its unsatisfactory use of funds.

9-2.01(g) Contract Additions and Deletions

Payout for the net amount of the contract additions on each of the county's projects will be scheduled upon approval by IDOT and debited to the county's allotment. If the combination of additions and deletions for the entire project extends the obligation beyond the currently available funds, the overrun amount may be paid from the following year's allocation (605 ILCS 5/6-903). Funds released from a project by change order may be applied to current projects or used for future projects. These released funds must be covered by approved contracts before the next date when funds are subject to lapse.

9-2.01(h) Use of Township Bridge Program Funds

Section 4-2.02(b) provides details on the eligible uses of TBP funds.

9-2.02 Township Bridge Lapse Pool

Funds allocated to the counties under the Township Bridge Program will lapse or revert to the Road Fund if they are not obligated within two years of the allotment. IDOT has established an administrative program for these types of funds where road districts having special needs may use them. This program is referred to as the Township Bridge Lapse Pool.

Lapse Pool funding will contribute a maximum of 80% of the total project cost in accordance with normal TBP procedures (605 ILCS 5/6-905). At the time a project is selected, the maximum allocation of funds is established. Any cost increases in excess of the maximum amount established are the responsibility of the local agency. Cost decreases resulting in balances in Lapse Pool funds must be returned to IDOT for deposit in the Lapse Pool Fund.

Available funds in the Lapse Pool are limited and therefore are not redistributed through the allotment process. To redistribute and use the funds completely, IDOT has established the following criteria for the selection of Lapse Pool projects:

- When sufficient funds become available to warrant a solicitation of TBP Lapse Pool projects, the districts will contact the county engineers for candidate projects. Each Regional Engineer will consult with the county engineer to provide a prioritized list of candidates.
- The county engineer is required to provide written justification for the project to the district.
- All bridges constructed with Lapse Pool funds are selected by the Central BLRS from a list of projects submitted by the districts.
- The normal MFT engineering criteria, procedures and policies must be followed.
- A State/local agency Joint Agreement is required for each project; see Section 5-3. The agreement will designate the method of payment to the county.

9-2.03 Grade Crossing Protection Fund

The types of projects eligible for funding under the Grade Crossing Protection Fund (GCPF) are discussed in Section 4-2.04. The Illinois Commerce Commission (ICC) is responsible for managing the GCPF. The following procedures are applicable to the GCPF:

1. Application. Application for use of the GCPF should be in the form of a formal petition on behalf of the local highway authority (or any other interested party) to the ICC. Application forms are available from ICC. The petition should state the location of the crossing(s) involved, the improvements desired (including the reasons why the improvements are necessary), and that amount of financial assistance requested from the GCPF.

BUREAU OF LOCAL ROADS & STREETS
FINANCIAL PLANNING – MFT and State Funds

9-2(4)

Jan 2006

2. Hearing. The ICC requires a formal hearing for most, if not all, of the cases involving the GCPF. See Section 10-5.01 for further discussion.
3. Selection. The ICC selects the projects and adds them to their multiyear program. Funding is committed when the ICC issues an order for the completion of the work.
4. Implementation. Once the ICC approves funding, the development of the project follows the procedures established for regular MFT crossing improvements, except that an ICC order (with a division of cost) is used instead of a formal agreement. Submit all bills to the district, which will forward them to Central BLRS for processing and payment.

9-2.04 Economic Development Program (EDP)

The local agency will apply to the Office of Planning and Programming for these funds. Submit the following information with the EDP application:

- name of company, type of product, and total company site investment;
- location (e.g., include a map showing the location of the site) and general description of improvement;
- estimate of the number of primary jobs created or retained;
- anticipated time for the development to occur;
- projected visitors at tourist attraction, if a tourism project;
- letter of commitment from the company to expand or locate;
- engineer's cost estimate of the improvement; and
- extent of the local participation and source of local matching funds.

If IDOT commits to funding, a joint agreement is necessary. The project is developed using MFT policies and procedures.

9-2.05 Truck Access Route Program (TARP)

The district will make an annual solicitation of candidate projects for the upcoming fiscal year. Applicants should include any information pertaining to prior commitments by IDOT, a description of industries or truck generators served, projected growth, and number of trucks using the route. Provide information pertaining to phase construction that completes a truck route or is part of a multistage construction. Geographical diversity is also considered. Once the district submits the project to the Central BLRS, the Central BLRS will determine a district priority along with justification.

Approved projects will require a joint agreement and a resolution establishing an 80,000 lb (36,000 kg) truck route (Form BLR 05321). If the TARP funding is included within a Federally

funded project, the same joint agreement is used for both funds. TARP projects that also include Federal funds are developed using Federal policy and procedures. Other projects will use MFT policies and procedures.

9-2.06 State Matching Assistance Program

Local agencies requesting State matching assistance should include the request in the joint agreement for Federally funded projects. IDOT deducts the amount from the county balance as it makes payment on the contract.

A county may use its accumulated matching funds to defray any part or the entire non-Federal portion on any local Federal-aid project regardless of the Federal matching percentage. The State matching assistance may be committed as a lump-sum amount or as a percentage of the project cost not to exceed the current available State match allotment for the county.

9-2.07 County Consolidated, Needy Townships, and High Growth Cities

Each year a check is sent to each eligible agency for deposit in their MFT account. The agency's unobligated MFT balance is increased to include this amount. These funds are considered MFT funds.

9-2.08 County Engineer's Salary Program

A county can decide to participate in this program at any time. The county and the State will enter into a joint agreement for the county engineer's salary. This agreement will have a termination date of six years or less. The county must pass an annual resolution appropriating county funds for the salary and approving the transfer of the county's Surface Transportation Program (STP) funds to the State. When the resolution is approved and sent to the district, IDOT will send a check for the State funds to be exchanged for the STP funds and deduct that amount from the county's STP balance. The check must be deposited into the county's MFT account.

9-2.09 Jurisdictional Transfers

When IDOT transfers a State highway to a local agency, a joint agreement will be required; see Section 5-3. This joint agreement should also designate an effective date for the transfer. If the effective date is upon execution of the agreement, the funds will be distributed to the local agency immediately without the local agency billing IDOT. If the effective date differs from the date of execution, the local agency will be responsible to bill IDOT in order to receive payment. This should be clearly stated in the agreement.

9-2.10 Park Access Program

The local agency will submit applications for the Park Access Program to the Illinois Department of Natural Resources. When a project is included in the program, a joint agreement is required. The project is developed using MFT policies and procedures.

9-2.11 Noise Abatement Program

The local agency will submit an application to the Office of Planning and Program. A joint agreement is required. The project is developed using MFT policies and procedures.

9-2.12 Access To Transit Capital Improvement Program (Operation GreenLight)

The local agency will submit a letter of interest to the Division of Public Safety. The letter should include:

- a brief description of the project;
- an estimated budget categorized by major work tasks;
- a project schedule; and
- an indication of project readiness that addresses issues for feasibility studies, land acquisition, and environmental impact analyses.

Once the Division of Public Transportation approves the project scope and budget, a formal application is required. Once funding for a project is approved, a joint agreement is required. The project will follow MFT policies and procedures.